



Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria-Vlada-Government
Ministria e Ekonomisë
Ministarstvo Ekonomije/Ministry of Economy

DATED [•] 2023

THE MINISTRY OF ECONOMY

-AND-

[•]

**LAND LEASE AGREEMENT
OF THE KRAMOVIK SITE**

LAND LEASE AGREEMENT

THIS LAND LEASE AGREEMENT is made and entered into as of this [●] day of [●month] 2023, by and between:

(1) **The Ministry of Economy**, a Government of Kosovo institution, with offices located at the No. 36 Mother Teresa Street, Pristina, 10000, Republic of Kosovo hereinafter referred to as (hereinafter referred to as “**Lessor**”).

and

(2) [name of most favorable bidder] a company duly incorporated under the laws of Republic of Kosovo with registered number [●] whose registered office is at [●] (hereinafter referred to as “**Lessee**”).

(each a “**Party**” and together “**the Parties**”)

WHEREAS:

- (A) The Lessor is a governmental institution under the terms of the Constitution of the Republic of Kosovo and the Government of Kosovo (GoK) Regulation No. 02/2021 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries, and has possession and the rights of use over the Kramovik Site located in the Municipality of Rahovec;
- (B) The Lessor, pursuant to the Decision of the Government of Kosovo No. 06/121 dated 25.01.2023 and the Decision of Rahovec Cadastral Office No. 187-2023 dated 08.03.2023 has been transferred the right of use and has secured possession of the Kramovik Site for thirty (30) years with the right to lease it to the most favorable bidder from the competitive bidding process.
- (C) Following the final decision on selection of most favorable bidder from the competitive bidding process no. 01-001-2023, the Lessor and the Lessee on DD.MM.YYYY executed the Project Development Agreement on DD.MM.YYYYYY. with which the Lessor commits to sign with the Lessee a Land Lease Agreement for the right to use the Site on which the solar photovoltaic (PV) power plant is to be built pursuant to the applicable laws and the sub laws, and the Lessee commits to that land to construct a solar PV power plant by applying the requirements on installed power and other conditions as stated in its Bid,
- (D) The Kramovik Site consists of 9 parcels within the cadastral zone of Kramovik and Petkovic (Guri i Kuq) in the Municipality of Rahovec, where is intended to be constructed a solar PV Power Plant by the Project Developer with whom the Project Development Agreement was signed with,

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

I. INTERPRETATION AND DEFINITIONS

Article 1

- (1) When used in this Agreement or in any Appendix hereto, the following terms shall have the meanings set forth in this Article. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Project Development Agreement:
- 1) “**Actual Installed Capacity**” means the actual maximum alternating current export capacity of the Project, expressed in MWAc, as determined in accordance with Annex F of the Project Development Agreement;
 - 2) “**Agreement**” means this Land Lease Agreement including all written appendices, annexes and supplements hereto that may be entered into by the Parties from time to time;
 - 3) “**Annual Rent**” means the amount payable by the Lessee to the Lessor for each year during the Term of this Agreement in accordance with Article 3.1;
 - 4) “**Business Day**” means any day on which banks are open for business in Pristina, Kosovo specifically excluding Saturdays, Sundays and Government holidays;
 - 5) “**Day**” means a twenty-four (24) hour period commencing at 00:00 on any calendar day and ending at 00:00 hours on the following calendar day and the date of any Day shall be the date of its commencement as defined herein. Calendar day shall mean any day in a month, including weekends and holidays;
 - 6) “**Decommissioning**” means the decommissioning of the assets comprising the Project (in its then-current condition at the end of the Term) and restoration of the Site, which (unless otherwise agreed by the Lessor) shall include the removal of all plant and equipment and other above and below ground objects (including foundations), the re-landscaping of the Site and reclamation activities to restore vegetative cover, hydrologic function, control erosion and minimize habitat and land alteration, and “Decommission” shall be construed accordingly.
 - 7) “**Decommissioning Program**” means the program developed by the Lessee for Decommissioning the Project, which complies with the requirements set out at Article 9 and which has been approved by the Independent Engineer.
 - 8) “**Defaulting Party**” has the meaning set out in Article 13;
 - 9) “**Due Date**” has the meaning set out in Article 3;
 - 10) “**Early Termination Date**” means the date of termination of this Agreement in accordance with Article 11, and as a result of an Event of Default;
 - 11) “**Early Termination Notice**” has the meaning set out in Article 11.3;
 - 12) “**Effective Date**” means the date on which the Lease Agreement is executed;
 - 13) “**End-of-Term Bond**” has the meaning set out in Article 8;
 - 14) “**Event of Default**” has the meaning set out in Article 11;
 - 15) “**Expiry Date**” has the meaning given the term in Article 9;
 - 16) “**Force Majeure**” has the meaning set out in Article 22;
 - 17) “**Lessee Event of Default**” has the meaning set out in Article 11;
 - 18) “**Lessor Event of Default**” has the meaning set out in Article 11;
 - 19) “**Month**” means a calendar month;
 - 20) “**Project**” means the construction of a solar photovoltaic (PV) plant in the Kramovik Site for the generation of electricity supported with a guaranteed purchase price of

each megawatt-hour (MWh) of electricity sold on the basis of the Power Purchase Agreement concluded with the Market Operator.

- 21) **“Project Agreements”** has the meaning set out in Article 2.
 - 22) **“Project Development Agreement”** means the agreement signed between the Parties including all written appendixes, annexes and supplements thereto, for the design and construction, testing and commissioning of the solar PV power plant by the Lessee.
 - 23) **“Power Purchase Agreement”** means the agreement between the Kosovo Transmission, System and Market Operator (KOSTT) and the Lessee including all written appendixes, annexes and supplements thereto, for the sale and purchase of all net power produced by the solar PV power plant.
 - 24) **“Site”** has the meaning set out in Article 2.
 - 25) **“Term”** means the period of this Agreement as specified in Article 2 hereof and any extension thereof.
- (2) In this Agreement:
- 1) references to the masculine shall include the feminine and references to the singular shall include references to the plural and vice versa;
 - 2) references to the word “include” or “including” are to be construed without limitation;
 - 3) except where the context otherwise requires, references to a particular Article, paragraph or Appendix shall be a reference to that Article, paragraph or Appendix in this Agreement;
 - 4) reference to an agreement or document shall be a reference to it as further amended, supplemented or novated from time to time in accordance with, and subject to, any requirements of this Agreement and (subject thereto) shall include a reference to any document which amends, is supplemental to, novates, or is entered into, made or given pursuant to or in accordance with any terms of it;
 - 5) reference to a statutory provision (including any secondary legislation) shall include such provision as from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement;
 - 6) where any provision of this Agreement provides that any word or expression is to have the meaning given to it or have the same meaning as it has in another agreement or document; such meaning shall remain in full force and effect and the word or expression shall continue to have such meaning notwithstanding that such relevant agreement or document expires or terminates for any reason;
 - 7) “Article” means an Article in this Agreement;
 - 8) the headings are inserted for convenience only and shall be ignored in construing this Agreement; and
 - 9) any reference to currency, shall refer to the lawful currency of Kosovo;

II. COMMENCEMENT AND TERM

Article 2

- (1) The Agreement shall not enter into force until the following conditions are fulfilled:
 - 1) the signing of the Project Development Agreement by both Parties;
 - 2) the signing of the Power Purchase Agreement among Transmission System and Market Operator – KOSTT J.S.C. and Lessee, as Privileged Producer; and
 - 3) the signing of this Agreement by both Parties,

each agreement (collectively, the “**Project Agreements**”) to be executed on or around the same date in accordance with the award of the Project under the Tender Dossier.

- (2) Upon both (i) the coming into force of the Agreement and (ii) the occurrence of the Effective Date, Lessor leases to Lessee and Lessee leases from Lessor the Kramovik Site consisting of 9 parcels within the cadastral zone of Kramovik and Petkovic (Guri I Kuq), i.e. 3,648,267 m² of land in Municipality of Rahovec within cadastral zone Kramovik, parcels number P-71510039-00500-1 and P-71510039-00597-1, and within cadastral zone Petkovic, parcels number P-71510061-00184-0; P-71510061-00186-0; P-71510061-00187-0; P-71510061-00842-0; P-71510061-00843-0; P-71510061-00184-0; P-71510061-00199-1; and P-71510061-00199-2 as recorded in the Property List no.187-2023 and as further described in Schedule A of this Agreement (the “**Site**” or “**Kramovik Site**”) and any, and all, moveable or immovable fixtures, buildings, equipment, plant, machinery or structures located on the said land parcel, together with any and all appurtenances thereto, for a term of 32 (thirty-two) years (“**Term**”) (as extended on a day-for-day basis to the extent the Scheduled Commercial Operations Date is extended pursuant to the Project Agreements) or until the Early Termination Date.

III. RENT

Article 3

- (1) The rent for the leased Premises is 1,200 EUR (*one thousand and two hundred Euros*) per hectare per year. The Annual Rent shall be ____EUR (in words) for the total surface of ____ hectares as determined based on the actual surfaced used specified in the *Technical and Financial Feasibility Study* attached to the Project Development Agreement, and shall be paid net of taxes (i.e., the Lessor shall be responsible for all taxes and similar charges assessed on the Site, and the Lessee shall not have any responsibility for any taxes or charges assessed on the Site). The Annual Rent is fixed and may be subject to review after the expiration of the Power Purchase Agreement and every five years thereafter by the Lessor, taking only into consideration the official inflation rate in the Country.
- (2) The Lessee shall start paying the Annual Rent on the Effective Date of the Power Purchase Agreement. The last Annual Rent shall be paid in the last year of the Term, and to the extent of any extension of the Term as a result of an extension of the Scheduled Commercial Operations Date any the Annual Rent shall be increased pro rata for any additional days.
- (3) The Annual Rent shall be paid by the Lessee to the Lessor by the fifth day of each first month from the Effective Date and of each lease anniversary and without demand (the “**Due Date**”). If the Due Date falls on a non-business day, the Annual Rent is payable on the next business day.
- (4) The Annual Rent shall be paid to the following bank account, or such other bank account as notified by the Lessor to the Lessee in writing:
 - Name of account: [●]
 - Bank: [●]
 - Account number: [●] and SWIFT No: [●]
 - Please use the following reference when making payment “Monthly Payment of Annual Rent for Kramovik Site”

- (5) Any payment not paid by the Due Date to the Lessor shall bear interest at an annual rate of 8% above the base rate as set by the Law on Obligations.

IV. USE AND CONDITION OF THE SITE

Article 4

- (1) Lessee shall only be permitted to use the Site for the purpose of constructing, operating and maintaining Project.
- (2) In the event that the Lessee uses the Site for any purpose other than those outlined paragraph (1), this shall constitute an Event of Default under Article 11 of the Agreement.
- (3) Lessee will, at its sole expense, keep and maintain the Site in good condition in accordance with Prudent Utility Practices.

V. ASSIGNMENT AND SUB-LETTING

Article 5

- (1) Except for an assignment or pledge of this Agreement to a Lender through a Direct Agreement, the Lessee may not, fully or partially, transfer or delegate any rights and obligations under the present Agreement to a third party within two years of the Effective Date without previous written consent from the Lessor. The Lessor is entitled to withhold its consent to such transfer or delegation during such period on the basis that the third party would not meet the qualifications to bid for the Project set forth in the Tender Dossier. Following the date falling two years after the Effective Date, Lessee may make such transfer or delegation only with the written consent of the Lessor, which shall not be unreasonably withheld or delayed.
- (2) Consent by the Lessor to one such assignment shall not be deemed to be a consent to any subsequent assignment. The Lessor may withhold its consent to assignment on the basis that the Market Operator has withheld consent to a corresponding assignment of the Power Purchase Agreement.
- (3) Any transfer made without previous written consent from the Lessor shall not produce any legal effects vis-à-vis the Lessor and shall be considered a case of violation of this Agreement and basis for termination of this Agreement by the Lessor as a Lessee Event of Default, except for an assignment or pledge of this Agreement through a Direct Agreement from paragraph (1) of this Article.
- (4) In the case of a transfer of this Agreement, the Lessor may conclude a contract for transfer with the entity to which this Agreement is transferred under the same conditions set forth in the present Agreement.
- (5) The Lessor may assign this Agreement without the prior written consent of the Lessee, save that the Lessor shall provide prior written notice of any such assignment to the Lessee.

VI. NON-DELIVERY OF POSSESSION

Article 6

- (1) The Lessor (or its agents) shall transfer possession of the Site to the Lessee within three (3) days of the Effective Date.
- (2) Lessee agrees to accept the Site.
- (3) The failure of Lessor to transfer possession of the Site to the Lessee shall be a Lessor Event of Default.

- (4) Upon the Lessee taking possession of the Site, the Lessor shall be provide the Lessee with access to the Kramovik Site. A short protocol shall be signed by the Parties confirming the time and date of the Lessee taking possession of the Kramovik Site.

VII. DAMAGE TO SITE

Article 7

- (1) In the event the Site is damaged or impaired by Force Majeure, such that all or a portion of the Site is thereby be rendered un-tenantable, the Lessor shall have the option of either repairing such injured or damaged portion or terminating the Lease Agreement. Such termination shall be treated as a termination for Prolonged Force Majeure. In the event that Lessor exercises its right to repair such un-tenantable portion, the rental shall abate in the proportion that the injured parts bears to the whole Site, and such part so injured shall be restored by Lessor as speedily as practicable, after which the full rent shall recommence and the Agreement continue according to its terms.
- (2) In the event the Site is damaged or impaired by the acts or omissions of Lessee, such that all or a portion of the Site is thereby be rendered un-tenantable, the Lessor shall have the option of requesting that Lessee repair such injured or damaged portion at Lessee's expense or terminating the Lease Agreement for Lessee Event of Default. In the event that Lessor requests that Lessee repair such un-tenantable portion, the rental shall not abate during the restoration of the Site.
- (3) In the event the Site is damaged or impaired by the acts or omissions of Lessor, such that all or a portion of the Site is thereby be rendered un-tenantable, the Lessor shall have the option of either repairing such injured or damaged portion or terminating the Lease Agreement. Such termination shall be treated as a termination for Lessor Event of Default. In the event that Lessor exercises its right to repair such un-tenantable portion, the rental shall abate in the proportion that the injured parts bears to the whole Site, and such part so injured shall be restored by Lessor as speedily as practicable, after which the full rent shall recommence and the Agreement continue according to its terms.

VIII. LIENS ON SITE

Article 8

Lessor shall ensure that there are no mortgages, liens or encumbrances now or hereafter placed on the Site by Lessor, whether or not be subordinate, junior and inferior to the Lessee's interest under this Agreement. The imposition of any mortgages, liens or encumbrances on the Site by Lessor during the Term of this agreement shall be a Lessor Event of Default.

IX. STATUS OF THE SITE UPON THE EXPIRATION OF THE AGREEMENT

Article 9

- (1) Upon the expiration of the Term of this Agreement ("**Expiry Date**"), the Site shall revert to the Lessor in the condition and state before the installation of the equipment and installations of the solar PV power plant, including the necessary adjustments to the terrain for the needs of the construction foreseen by the construction design, namely free of any structures or obstacles, unless otherwise agreed in accordance with this Article 9.
- (2) The Lessee shall, no later than the date falling one year prior to the Expiry Date, procure an unconditional and irrevocable on-demand letter of credit in favour of the Lessor in an amount equal to Euro 50,000 per MWAC of Actual Installed Capacity, in a form substantially similar to the Performance Security posted upon execution of the Project Development Agreement (the "**End-of-Term Bond**"). The expiry date of the End-of-Term Bond shall be no earlier than the date falling one year after the expected Expiry Date of this Agreement.
- (3) No later than one-hundred twenty (120) days prior to the expiration of the Term of this Agreement or if requested by Lessor in connection with any Early Termination:

- 1) the Independent Engineer shall deliver the Project State of Repair Report to the Lessor and the Market Operator; and
 - 2) the Lessee shall deliver the Decommissioning Program, as approved by the Independent Engineer as being effective to Decommission the Project, to the Lessor.
- (4) The Decommissioning Program shall include the following elements:
- 1) identification of measures to be taken to restore the Site to near pre-construction conditions or a condition compatible with surrounding land use;
 - 2) documented Site-specific health and safety plans and procedures to be followed, including provisions for training personnel accordingly;
 - 3) specifications for demolition and reclamation, which shall serve as the basis for contractor bids for the Decommissioning;
 - 4) disposal of materials in appropriate facilities for treatment/disposal or recycling;
 - 5) monitoring plans to control the execution of the Decommissioning and reclamation plan through Project oversight and quality assurance;
 - 6) documentation of the implementation of the program and compliance with the Laws of Kosovo and applicable International E&S Standards; and
 - 7) an environmental Site assessment to ascertain whether soil and/or groundwater contamination has occurred in the Decommissioning project areas during construction/operation/Decommissioning that needs to be remediated in accordance with the Laws of Kosovo. At first a walkover and a screening of potential contamination sources based on uses of each area, Site evidence, and record of accidents (utilizing the approach of ASTM E1527-13 or equivalent), will indicate whether a full environmental Site assessment is needed. The assessment needs to be guided by the Laws of Kosovo and the following standards:
 - i. WBG Environmental, Health, and Safety (EHS) General Guidelines, section 1.8 on Contaminated Land;
 - ii. ASTM E1527 – 13 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process or equivalent;
 - iii. ASTM E1903 – 11 Standard Practice for Environmental Site Assessments: Phase II Environmental Site Assessment Process or equivalent; and
 - iv. ASTM E2081 – 00(2015) Standard Guide for Risk-Based Corrective Actions.

Should the results of the assessment indicate that there is the need of remediation activities, the Lessee shall be responsible for implementing such activities and for their cost.
- (3) Within thirty (30) days of receipt of the Project State of Repair Report and Decommissioning Program, the Lessor shall notify the Lessee whether to transfer its rights and interest in the Project to the Lessor (or its nominee) or to Decommission the Project.
- (4) Repairs and Transfer:
- 1) If the Lessor elects to require the Lessee to transfer the Project:
 - (i) following the Expiry Date and in accordance with the Project State of Repair Report, the Lessee shall take such actions as are required in order that, on the transfer of the Project to the Lessor (or its nominee), the condition of the Project is at a level commensurate with its age. The Independent Engineer

shall determine whether the Lessee has carried out the required works in accordance with the Project State of Repair Report; and

- (ii) If the Independent Engineer determines that the Lessee has fulfilled its obligations to repair the Project within ninety (90) days of the Expiry Date, the Lessor shall return the uncalled End-of-Term Bond to the Lessee on the transfer of the Project.
 - 2) If the Independent Engineer determines that the Lessee has failed to fulfill its obligations to repair the Project within ninety (90) days of the Expiry Date, it shall calculate the costs that would be reasonably incurred by the Government in order to complete the repair of the Project to a level commensurate with its age, in accordance with the Project State of Repair Report, and the Lessor shall be entitled to call on the End-of-Term Bond for that amount. On the transfer of the Project, the Lessor shall return the balance of the End-of-Term Bond to the Lessee.
- (5) Decommissioning:
- 1) If the Lessor elects to require the Lessee to Decommission the Project, the Lessee shall, within one-hundred eighty (180) days of the Expiry Date, take such steps as are required to comply with and complete the Decommissioning Program in accordance with the Laws of Kosovo. The Independent Engineer shall determine whether the Lessee has completed the Decommissioning.
 - 2) If the Independent Engineer determines that the Lessee has completed the Decommissioning of the Project within one-hundred eighty (180) days of the Expiry Date, the Lessor shall return the uncalled End-of-Term Bond to the Lessee within ten days of the Independent Engineer's determination.
 - 3) If the Independent Engineer determines that the Lessee has failed to complete the Decommissioning of the Project within one-hundred eighty (180) days of the Expiry Date, the Independent Engineer shall calculate the costs that would be reasonably incurred by the Lessor in order to complete the Decommissioning of the Project in accordance with the Decommissioning Program and the Lessor shall be entitled to call on the End-of-Term Bond for that amount and return the balance to the Lessee within ten days of the Independent Engineer's determination.

X. INDEMNIFICATION

Article 10

During the Term of the Agreement, the Lessee shall indemnify Lessor, and all affected persons and parties, in respect of any damage, compensation or injury occurring to any person or to property, and against all actions, claims, suits, demands, costs, charges and expenses arising and in connection therewith which shall be occasioned or arising out of the Lessee's use or operation of the Site or the operation of the Project, whether or not resulting from the negligence of the Lessee, or any defective, or failure of, design, materials or workmanship, or breach of contract or statutory duty by Lessee (and/or any subcontractor of Lessee). Lessee shall fully insure against such liability and maintain in effect such insurance as provided below during the Term of the Agreement, but notwithstanding the foregoing, if the insurance is inadequate the Lessee shall be and remain fully liable as aforesaid.

XI. EVENT OF DEFAULT

Article 11

- (1) The occurrence of one or more of the following circumstances in respect of the Lessee shall be an event of default (a "**Lessee Event of Default**"):
 - 1) failure by the Lessee to make, when due, any payment under this Agreement required to be made by it within thirty (30) days after receipt of written notice of such non-payment;

- 2) the Lessee:
 - i. is dissolved (other than pursuant to a consolidation, amalgamation or merger) or becomes insolvent or is unable or fails to pay its debts or admits in writing its inability generally to pay its debts as they become due;
 - ii. has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
 - iii. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
 - iv. any change in ownership of the Lessee, including in the Ultimate Beneficial Owners (as such term is defined in the tender dossier) of the Lessee, without prior approval of the Lessor as required under this Agreement; or
 - v. causes or is subject to any event with respect to it which, under the Laws of Kosovo has an analogous effect to any of the events specified in Articles (i) to (iii) above;
 - 3) the Lessee transfers or assigns this Agreement without previous written consent from the Lessor unless otherwise permitted under Article 5;
 - 4) the Site is damaged or impaired by the acts or omissions of Lessee, such that all or a portion of the Site is thereby rendered un-tenantable, and the Lessor exercises its option to terminate the Lease Agreement under Article 7;
 - 5) the failure of Lessee to present proof of insurance, as required under Article 12, unless cured within ninety (90) days of Lessee's receipt of notice of failure; or
 - 6) the termination, prior to the applicable expiration date, of any Project Agreement as a result of an event of default thereunder not attributable to the Market Operator, Ministry, Transmission System Operator or, if applicable, any Lenders, and such Project Agreement is not reinstated within thirty (30) days following notice from the Lessor requiring such termination to be remedied.
- (2) The occurrence of one or more of the following circumstances in respect of the Lessor shall be an event of default (a "**Lessor Event of Default**"):
- 1) Lessor (or its agents) fails to deliver possession of the Site to the Lessee within thirty (30) days of the Effective Date or otherwise impairs or restricts Lessee's access to the Site with a material adverse impact on Lessee's ability to design, construct, install and operate the Project and Connection Facilities;
 - 2) the Site is damaged or impaired by the acts or omissions of Lessor, such that all or a portion of the Site is thereby rendered un-tenantable, and the Lessor exercises its option to terminate the Lease Agreement under Article 7;
 - 3) the termination of the Power Purchase Agreement prior to its expiration date by the Privileged Producer for a Market Operator Event of Default as defined in the Power Purchase Agreement;
 - 4) the termination, prior to the applicable expiration date, of any Project Agreement as a result of an event of default thereunder not attributable to the Privileged Producer, Project Developer, Producer or, if applicable, any Lenders, and such Project Agreement is not reinstated within thirty (30) days following notice from the Lessee requiring such termination to be remedied.
- (3) If either a Lessee Event of Default or a Lessor Event of Default (each an "**Event of Default**") occurs, the non-defaulting Party shall have the right, in its absolute discretion, to issue a written notice of its intention to terminate this Agreement (an "**Early Termination Notice**").

Either Party may issue a written notice of termination in the event of Prolonged Force Majeure. The Early Termination Notice should include:

- 1) Details of the Event of Default or Prolonged Force Majeure giving rise to the Early Termination Notice; and
 - 2) a breakdown of any outstanding payments under the Agreement that have accrued prior to termination.
- (4) If an Early Termination Notice is issued, all obligations under this Agreement shall immediately terminate on the date of receipt by the defaulting Party of the Early Termination Notice.
- (5) In the event that the Agreement is terminated, the payment and transfer provisions of Annex G of the Project Development Agreement shall apply. In the event the Project is transferred in accordance with Annex G of the Project Development Agreement, Lessee shall take all commercially reasonable efforts to assist the Lessor with the transfer of the land rights under this Agreement to the transferee of the Project.
- (6) Unless otherwise expressly stated, termination of this Agreement shall not affect any rights or obligations which may have accrued prior to such termination or which expressly or by implication are intended to survive termination, whether resulting from the event giving rise to the right to terminate, or otherwise.

XII. INSURANCE

Article 12

- (1) Within 15 (fifteen) days of the entry into force of this Agreement, the Lessee shall obtain insurance in such amounts and for such coverage as shall described in Annex H of the Project Development Agreement. To the extent applicable to coverages for the Site, Lessee shall ensure that Lessor is listed as an additional insured.
- (2) Lessee shall, or shall cause the insurers to, provide Lessor with certificates of insurance evidencing the foregoing policies. If the Lessee fails to maintain any required insurance, then Lessor shall have the right, but not obligation, to procure such insurance for the account of Lessee, at the expense of Lessee.
- (3) Subject to Lessor's right to obtain insurances for the account of Lessee under paragraph (2), failure to keep the required insurances shall be considered a Lessee Event of Default.

XIII. REPRESENTATIONS, WARRANTIES, AND COVENANTS

Article 13

- (1) Each Party represents and warrants to the other Party that, as at the date of this Agreement:
 - 1) it has full corporate power and authority to enter into and to exercise its rights and perform its obligations under this Agreement;
 - 2) the obligations expressed to be assumed by it under this Agreement are legal and valid obligations binding on it;
 - 3) in connection with the negotiation and execution of this Agreement:-
 - a. it is acting as principal (and not as agent or in any other capacity, fiduciary or otherwise);
 - b. it is not relying upon any communication (whether written or oral) of the other Party as investment advice or as a recommendation to enter into this Agreement;

- c. it has made its own independent decisions regarding the entering into of this Agreement based upon its own judgment and upon the advice from such professional advisors as it has deemed necessary to consult; and
 - d. all of its decisions regarding this Agreement have been the result of arm's length negotiations between the Parties.
- (2) The Lessor represents and warrants that:
 - 1) the Site is presently not subject to zoning or other restrictions that would preclude the construction and operation of the Project; and
 - 2) the Lessor has all necessary property rights, powers, and authority to lease the Site to Lessee under this Agreement.
- (3) The Lessor hereby covenants that:
 - 1) the Lessee paying the Annual Rent, and observing and performing the several covenants and stipulations in this Agreement, shall peaceably hold and enjoy the Site for the duration of this Agreement without any interruption from the Lessor or any third person rightfully claiming rights to the Site;
 - 2) the Lessor shall obtain waivers or releases of any lien, right of way, easement, tenancy, encroachment, servitude, or other encumbrance or restriction of any kind on the Site, except as may be provided for any Connection Facilities, or under any of the Project Agreements, that may have arisen prior to the execution of this Agreement.
 - 3) the Lessor waives all claims against the Lessee for damages to the Project or the Lessor's personal property or for injuries to persons on or about the Project from any cause arising at any time unless caused by the Lessee's gross negligence or wilful misconduct.
 - 4) the Lessor shall, upon request from the Lessee, execute the Direct Agreement, and such confirmation, certificate or other documents (except amendments to this Agreement unless the Lessor hereafter consents) as the Lenders may reasonably request in connection with any such financing, which may include access to the Site for a reasonable period after termination of this Agreement to remove the Project, trade fixtures, equipment and moveable personal property.

XIV. CONFIDENTIALITY

Article 14

- (1) The Parties to this Agreement hereby agree that the content of this Agreement is available to all interested third parties, pursuant to the applicable regulations.
- (2) The Parties to this Agreement hereby agree to ensure confidentiality of the data and information being exchanged if pursuant to the applicable regulations on personal data or classified information or due to business secrecy such data has to be kept confidential and protected and such data and information shall be used exclusively for the performance of their obligations under this Agreement, as well as under the Energy Law.

XV. NOTICES

Article 15

- (1) Within three business days as of the date of entry into force of this Agreement, each Party shall assign a responsible person for communication and exchange of information and data necessary to perform the obligations of the Parties under this Agreement and shall notify the contact information of the assigned person to the other Party.

- (2) If for the duration of this Agreement a Party changes the person referred to in paragraph (1) of this Article, it shall notify the other Party for the change and shall submit the contact information for the newly assigned person.
- (3) All notifications, exchange of information and data or other addressing between the Parties to this Agreement shall be between the assigned persons referred to in paragraphs (1) and (2) of this Article and shall be in writing.
- (4) If in urgent cases a notification is given orally, the Party giving the notification shall, in a period of 24 hours after the oral notification, submit the same in a written form to the other Party.
- (5) A notification is considered as duly submitted if it is submitted as follows:
 - 1) To the archive office of the other Party, or
 - 2) By registered mail or via courier with clear identification of the date of receipt of the notification, or
 - 3) In electronic form to the e-mail address of the person referred to in paragraph (1) of this Article.

XVI. SEVERABILITY ARTICLE

Article 16

- (1) The Parties to this Agreement agree that if for the duration of this Agreement one or more provisions of this Agreement are deemed as null and void it shall not affect the legal validity and applicability of the other provisions of this Agreement, which shall continue to be valid.
- (2) The Parties to this Agreement hereby agree that they shall pursue the provision or provisions of this Agreement deemed as null and void or inapplicable to be substituted with legally valid and applicable provisions, the economic effect of which shall be equal or similar to the economic effect caused by the provision or provisions deemed to be null and void or inapplicable.

XVII. WAIVER

Article 17

- (1) Unless agreed otherwise, if any of the Parties fails to exercise its right, claim, authorization or possibility determined by this Agreement or requires the other Party to fulfill and abide by its obligations under this Agreement, it shall not be considered a waive by that Party of such right, claim, authorization or possibility, or waive of the conditions and provisions under this Agreement related to any current or future violation of this Agreement by the other Party.
- (2) As an exception to paragraph (1) of this Article, a waiver shall be legally valid if given in written form and signed by the authorized representative of the Party to this Agreement, and it unambiguously, precisely and fully states the rights, claims, authorizations and possibilities the Party waives, as well as the time when the waive commences to be legally valid.

XVIII. FORCE MAJEURE

Article 18

- (1) A Party, which due to the occurrence of an event of Force Majeure, is not able to fulfil its obligations under this Agreement, it shall notify the other party within 5 days as of the day the Force Majeure commenced, of the following:
 - 1) a description of the Force Majeure;

- 2) the effects caused by the Force Majeure;
 - 3) the measures taken for overcoming the conditions and mitigating the consequences from the Force Majeure event; and
 - 4) the expected date when the notifying Party will be able to continue with the fulfilment of its obligations under this Agreement.
- (2) The notifying Party in paragraph (1) shall, within 5 days of the day of the cessation of the Force Majeure event, notify the other Party that the Force Majeure condition has ended.
- (3) **“Force Majeure”** shall mean:
- 1) any event or circumstance, or combination of events or circumstances (including the effects thereof) that is beyond the reasonable control of a Party and that on or after the Execution Date, materially and adversely affects the performance by such affected Party of its obligations under or pursuant to this Agreement; provided, however, that such material and adverse effect could not have been prevented, mitigated, overcome or remedied in whole or in part by the affected Party through the exercise of diligence, prudent and reasonable care, it being understood and agreed that such care includes the taking of acts and activities to protect the Project from a casualty or other event, that are reasonable in light of the possibility or probability of the occurrence of such event, the probable effect of such event if it should occur, and the likely efficacy of the protection measures. Each of the following shall be a Force Majeure to the extent that each satisfies the foregoing requirements:
 - a. emergencies of major scope and intensity, such as earthquakes, floods, landslides, droughts, volcano eruptions, hurricanes, snow slides, torrential downpour, damages or demolishing caused by lightning strikes, epidemics and similar natural causes;
 - b. fires or explosions, not arising from actions or inactions of the Party claiming Force Majeure, that have caused damages or demolishing of equipment, machines and/or installations, as well as demolishing or blocking of power, telecommunications or traffic infrastructure;
 - c. war or martial law, terrorism attacks, revolutions, riots, sabotages (not by employees or sub-contractors of the Party claiming sabotage), blocking protests (excluding protests by employees or sub-contractors of one of the Party claiming Force Majeure);
 - d. failure of state or local authorities or holder of public office to issue any license, approvals, permits and/or other documents necessary for the fulfillment of the obligations by, or exercise of the rights, of a Party under this Agreement are not issued, amended or extended within the legally determined deadlines after the proper and complete submission of the request from the applicable Party, or are terminated or annulled due without cause;
 - e. nationalization or expropriation of the Project, or a part thereof; or
 - f. international sanctions or entry into force of ratified international agreements that are not of general or universal application, such as European Union wide applicability, and which oblige the Republic of Kosovo to apply them, and if due to their application a Party is not in the position to fulfil its obligations under this Agreement.
- (4) In case of Force Majeure, this Agreement shall remain in force, but its validity, and any applicable deadlines in this Agreement shall be extended on a day-for-day basis for the duration of the Force Majeure event, but in no event shall such extension be longer than 365 days.

- (5) Upon termination of the Force Majeure effects the validity of this Agreement continue, and the validity period of this Agreement shall be extended for the period of the effects of the Force Majeure, whereas upon the request from the Lessee, the Parties shall amend this Agreement to reflect such extension.
- (6) The Parties to this Agreement, hereby, agree that the amendment referred to in paragraph (5) of this Article is concluded within 30 (thirty) days at the latest as of the date of submitting of the Lessee's request for amendment to the Lessor.
- (7) Should the Lessor refuse to enter the amendment to this Agreement as referred to in paragraph (6) of this Article, the Lessee may initiate proceeding to resolve the dispute pursuant to Article 20 of this Agreement.
- (8) As an exception to paragraph (5) of this Article, in case of Prolonged Force Majeure, the validity of this Agreement shall not be extended for the duration of the Force Majeure effects if either Party requests termination of this Agreement.

XIX. AMENDMENTS TO THE LEGISLATION AND REGULATION

Article 19

- (1) Without limiting any rights of the Lessee in relation to Increased Costs under the other Project Agreements, any new laws and bylaws related to the fulfillment of the subject matter of the present Agreement, as well as amendments which have entered into force, or the cessation or expiration of laws and bylaws, regulating the subject matter of this Agreement occurring after the Execution Date, shall apply to the provisions of this Agreement as of the day they enter into force, cease, or expire, as the case may be.
- (2) The Project Developer shall have the right to request from the Ministry to conclude an amendment to this Agreement for the harmonization of the Agreement with the requirements with the new (i.e., amended) laws and bylaws.

XX. DISPUTE RESOLUTION

Article 20

The Parties to this Agreement agree that dispute, claim, difference or controversy arising out of this Agreement, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of it, shall be considered a dispute for the purposes of this Agreement (a "**Dispute**") shall be resolved exclusively in accordance with the procedure described in Article 21 of the Project Development Agreement.

XXI. VARIATIONS

Article 21

No variation on this Agreement shall be effective unless made in writing and signed on behalf of the Parties.

XXII. THIRD PARTIES

Article 22

Except for the rights expressly granted to the third parties herein, this Agreement is intended solely for the benefit of the Parties and nothing in this Agreement shall be construed to create any rights in, duty to, standard of care to, or any liability to, any Person not a Party.

XXIII. RELATIONSHIP OF THE PARTIES

Article 23

- (1) This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligation or liability upon either Party.
- (2) Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, to act on behalf of, or be an agent or representative of, or to otherwise bind, the other Party, and neither Party shall hold itself out to any third-party as having such right, power, or authority.

XXIV. AMENDMENTS

Article 24

- (1) Any Party to the Agreement may ask from the other Party to the present Agreement for this Agreement to be amended, provided that such amendments are in line with the applicable laws and other regulations and the provisions of this Agreement.
- (2) Any and all amendments referred to in paragraph (1) of the present Article shall be made in form of annexes to this Agreement and shall be signed by both Parties to the Agreement.

XXV. ENTIRE AGREEMENT

Article 25

- (1) Subject to the applicable provisions of other Project Agreements, this Agreement constitutes the whole and only agreement between the Parties relating to its subject matter. Except to the extent repeated in this Agreement, this Agreement supersedes and extinguishes any other agreement relating to its subject matter that is not a Project Agreement.
- (2) Each Party acknowledges that in entering into this Agreement it is not relying upon any prior agreement, whether oral or written, which is not set out in this Agreement or any other Project Agreement.

XXVI. APPLICABLE LAW

Article 26

The applicable laws of the Republic of Kosovo shall apply to the rights and obligations of the Parties under the present Agreement.

XXVII. LANGUAGE

Article 27

This Agreement has been drafted and signed in Albanian and English, and the English language version shall prevail in the event of any conflict.

XXVIII. FINAL PROVISION

Article 28

Parties to this Agreement shall sign this Agreement, through their authorized representatives in four originals in English language, whereas each contracting party receiving one original in English language. The English language version of this agreement shall be binding. One original in the English language and one translated copy in the Albanian language shall be provided to the Market Operator and the Energy Regulatory Office.

IN WITNESS WHEREOF this Agreement has been executed on the date set out at the commencement of this Agreement.

For the Lessor

Name: Mr. [•]

Position: [•]

Signature:

Date: [•]

For the Lessee

Name: [•]

Position: [•]

Signature:

Date: [•]

Duly endorsed by Mr. [•]

[•]

APPENDIX A: DESCRIPTION OF THE SITE

Sketch of Site

[TO INSERT SKETCH OF SITE]

Site Coordinates

[TO INSERT GEOGRAPHIC COORDINATES OF THE SITE BOUNDARIES]

Property List

[TO ENCLOSE PROPERTY LIST REGISTRATION]